(12) In order to reduce subsidy in the irrigation Sector in regard to supply of water, it is necessary to raise water rates periodically to cover adequately the maintenance costs. Efforts also should be made to make optimum use of water resources and collect dues regularly from the consumers.

(13) In the case of State Electricity Boards efforts should be made to realise a 3 per cent return on net worth by suitable tariff adjustments, economy in administration and by proper maintenance of plant and machinery. A minimum tariff of 50 paise per unit for the use of energy in agricultural sector as agreed to at the Power Ministers' Conference should be implemented immediately. A collective action by all States in this regard is required.

(14) It is necessary that the State Transport Corporations are put on a sound economic footing and, therefore, a 5 per cent return should be aimed at which can be achieved through appropriate tariff revisions, better fleet utilisation and reduction in administrative expenditure.

(15) Loans given to States against net collections of small savings should be treated as loans in perpetuity*.

(16) The interest rate charged from the States on IDA loan may be revised taking into account the very low interest rate charged on these loans by the World Bank and the likely burden on the Centre due to depreciation in exchange rate.

(17) Incentives in the form of additional financial flows should be provided to those States which show better fiscal efficiency and management.

*Dr. Rangarajan felt that this is an issue that should be examined by the Finance Commission.

Proposal for starting a rubber industry in Kanyakumari

*253. SHRI S. AUSTIN: Will the PRIME MINISTER be pleased to state:

(a) whether there is any proposal from Tamil Nadu Government to start a Rubber Industry in Kanyakumari pending with Government; and

(b) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY (DEPARTMENT OF INDUSTRIAL DEVELOPMENT WITH ADDITIONAL CHARGE OF THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY (DEPARTMENT OF HEAVY INDUSTRY) (SMT. KRISHNA SAHI): (a) No, Sir.

(b) Does not arise.

Decline in percentage of rural population below poverty line

@*254. SHRIMATI KAMLA SINHA: Will the PRIME MINISTER be pleased to state:

(a) whether it is a fact that the percentage of population below the poverty line in rural area has dropped to 33.4 in 1987-88 from 51.2 in 1977-78;

(b) whether Government aim to achieve full rural employment by the end of the century; and

(c) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF RURAL DEVELOPMENT (DEPARTMENT OF RURAL DEVELOPMENT) (SHRI UTTAMBHAI H. PATEL): (a) Yes, Sir. Based on the quinquennial surveys of household consumption expenditure conducted by the National Sample Survey Organisation (NSSO), it has been estimated that the percentage of population below the poverty line in the rural areas has dropped from 51.2 in 1977-78 to 33.4 in 1987-88.